United Nations A/C.5/59/SR.46

General Assembly
Fifty-ninth session

Official Records

Distr.: General
31 May 2005

Original: English

Fifth Committee

Summary record of the 46th meeting
Held at Headquarters, New York, on Monday, 2 May 2005, at 10 a.m.

Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/59/L.49)

1. **The Chairman** drew the Committee's attention to the proposed programme of work and to the list of documents to be considered during the current part of the resumed session (A/C.5/59/L.49).

2. **Mr. Meyer** (Brazil), speaking on behalf of the Rio Group, endorsed the proposed programme of work. The Fifth Committee must ensure that the Secretary-General had adequate resources to implement United Nations peacekeeping operations, on the understanding that the mandates of such operations reflected the aims and principles of the Charter of the United Nations. However, he was concerned at the high level of resources requested and, in that connection, stressed that peacekeeping budgets must be properly justified with a view to achieving maximum efficiency. The Rio Group was particularly interested in the cross-cutting issues relating to peacekeeping and was prepared to work constructively to address them during the current part of the resumed session.

3. He recognized the need for a detailed examination of a strategy designed to put an end to sexual exploitation and abuse in peacekeeping operations and stood ready to consider carefully the financial implications of the implementation of the proposals and recommendations contained in the report of the Special Committee on Peacekeeping Operations. Nevertheless, he was concerned that the establishment of Personnel Conduct Units in New York and all missions in 2005-2006 and 2006-2007 would lead to duplication of work which, in turn, would have financial implications. The Secretariat should provide specific clarification on that issue.

4. The Rio Group continued to follow peacekeeping activities with interest, in particular the situation in Haiti, and remained committed to restoring political and social stability and democracy to that State, as contained in the Rio Declaration of November 2004.

5. Lastly, he was concerned about the relatively short period of time set aside for consideration of the capital master plan. The Secretary-General should submit an updated report on that issue so that the Committee could discuss it in detail.

6. **The Chairman** said that he took it that the Committee wished to approve the proposed programme of work on the understanding that adjustments would be made, as necessary, during the course of the session.

7. *It was so decided.*

Agenda item 106: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/59/5 (Vol. II) and Corr.1, A/59/704 and A/59/736)

8. **Mr. Cabatuan** (Chairman of the Audit Operations Committee of the United Nations Board of Auditors), introducing the report of the Board of Auditors for the 12-month period from 1 July 2003 to 30 June 2004 on United Nations peacekeeping operations (A/59/5 (Vol. II) and Corr.1), said that the report's format mirrored that of previous reports but incorporated a number of improvements suggested by the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

9. In addition to issues raised with the Administration, the report addressed the four specific requests made by the Advisory Committee in document A/58/759 and by the General Assembly in its resolution 57/318. First, the Advisory Committee had asked the Board to look into the issue of the management of rations in peacekeeping operations as a whole. While the Department of Peacekeeping Operations had implemented a number of measures to improve rations provision, management and accountability, some concerns had not yet been fully addressed. The Board had also observed that there was no continuous cooperation on the monitoring of rations among the missions and Headquarters and had recommended that the Rations Management Manual should be finalized expeditiously, that the rations management standard operating procedures of missions should be reviewed and that the performance standards for rations vendor evaluations should be refined and rolled out to all missions.

10. Secondly, the Advisory Committee had also requested the Board to follow up on the issue of periodic and timely management reviews. However, since the Department of Peacekeeping Operations had been unable to provide the Board with an overall plan or schedule for the periodic assessment of missions, it had been unable to assess the extent of such reviews or assessments. Accordingly, it had recommended that the Department should properly plan and monitor centrally all reviews and periodic management assessments of

peacekeeping missions. The Board had also been asked to follow up on the review of the staffing and organizational structure of the United Nations Observer Mission in Georgia (UNOMIG) conducted by the Department of Peacekeeping Operations in April 2003, and had recommended that all reviews should be finalized, even if that meant reporting on disagreements.

11. Thirdly, the Advisory Committee had requested the Board to follow up on the matters detailed in chapter II, paragraph 5 (c) of the report (A/59/5 (Vol. II)) and those issues had been addressed in the relevant sections of the report.

12. Lastly, in its resolution 57/318, the General Assembly had requested the Board to review the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations. The Board had reviewed 41 of the 51 recommendations approved by the Secretary-General and, to the extent possible, had gauged the effects of the management reform measures taken since the approval of the relevant report. Given the absence of an overall project plan to coordinate the implementation of the Panel's recommendations, there were no indicators against which to formally measure the combined impact of their implementation.

13. With regard to the financial statements, and as reflected in chapter III of the report, the Board had issued an unmodified opinion for the year ended 30 June 2004. The financial position of the Organization as at that date and the results of operations for the period in question had been presented fairly and in accordance with United Nations accounting policies.

14. Summarizing the Board's main findings, the overall financial situation of United Nations peacekeeping operations had deteriorated in comparison to the previous financial period. Outstanding assessed contributions had increased by 41 per cent, meaning that less cash was available to settle liabilities.

15. The Board took the view that centralized monitoring could be enhanced in several operational areas. With regard to air operations management, insufficient aviation assessments and air carrier on-site visits had been conducted and, as at December 2004, the new aircraft tracking system piloted at the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) had not been evaluated.

16. As at 30 June 2004, total accumulated expenditure for strategic deployment stocks amounted to US$ 141.5 million. Policies and procedures regarding the rotation and replenishment of those stocks had been drafted but not yet finalized. With regard to rations management, the monitoring of contractors' quality management systems should be tightened and, in the area of procurement, while improvements had been noted in some areas, procurement plans were still not always submitted to Headquarters in a timely manner and some of the plans were incomplete. Furthermore, local vendors were still being entered into the database without prequalification, perhaps because the criteria for prequalification did not cater for local conditions. The non-availability of supplier evaluations had once again been noted. Lastly, a lack of local benchmarking had been observed at the United Nations Mission in Ethiopia and Eritrea (UNMEE). A list of the Board's main recommendations was contained in paragraph 11 of chapter II.

17. The Administration continued to make steady progress in the implementation of the Board's previous recommendations, although the compliance rate had dropped from 59 per cent to 48 per cent and a number of recurrent findings had yet to be addressed. The Board had taken note of the new requests made by the Advisory Committee in its most recent report and would address them, as well as any additional requests from the General Assembly, before its next round of audits.

18. **Mr. Childerley** (Chief of the Oversight Support Unit of the Office of the Under-Secretary-General for Management), introducing the Secretary-General's report on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2004 (A/59/704), said that the Administration, in cooperation with the Board, continued to strive to improve and expedite the reporting of progress made in the implementation of the Board's recommendations and, to that end, had been focusing on providing full and complete information to the Board for inclusion in its reports. The report before the Committee addressed 18 recommendations that required further comments from the Administration. The Secretariat stood ready to provide additional clarification on specific issues where necessary.

19. The Secretariat appreciated the spirit of constructive cooperation in which the Board discharged its oversight functions and was confident that its own commitment to the timely and thorough implementation of the Board's recommendations would contribute to improving the management of resources and to greater efficiency in United Nations peacekeeping operations.

20. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/59/736), said that the Advisory Committee appreciated the Board's continued efforts to conduct management audits, since a good balance between financial and management audits was very beneficial to a comprehensive understanding of the health of peacekeeping activities.

21. While the presentation of the Board's report had been further improved, the document itself remained lengthy and the Advisory Committee took the view that some of its descriptive parts could be streamlined without compromising quality. The Board should also formulate its recommendations in stronger and more direct terms and include, to the extent possible, expected time frames. In addition, reports of the Board should be followed up immediately and a system to monitor expected results and provide explanations for any impediments was needed. In that connection, the Advisory Committee hoped that the Secretary-General would do his utmost to expedite the establishment of a high-level follow-up mechanism.

22. He drew attention to the Advisory Committee's request that the Board should undertake an analysis of the operation of the support account. The Board could make an essential contribution to a further analysis of how the support account had evolved and of how it might further evolve. Lastly, he was concerned about the state of management reviews in the Department of Peacekeeping Operations. The lack of plans, schedules or a systemic database to track the reviews undertaken was indicative of weaknesses in the management culture of the Department and the Advisory Committee therefore called for the designation of a focal point for assessment of the results of such reviews for possible application throughout the peacekeeping operations. Efficiency gains already achieved and the possibility of further gains through streamlining and improved methods should be taken into account before additional resources were requested.

23. **Mr. Kabuku** (Namibia), speaking on behalf of the African Group, reiterated the Group's full support for the work of the Board of Auditors and welcomed the assurances that the principles of fair presentation and full disclosure were being respected. The Board should be commended for the quality of its report as well as for its continued efforts to improve the presentation. The summaries at the start of each major section and the references to and validation of the findings of the Organization's internal oversight body were particularly useful.

24. The Advisory Committee's extensive references to the Board's findings on management issues would enhance the Fifth Committee's consideration of broader peacekeeping policy issues. Furthermore, the management audits provided Member States with an opportunity to evaluate the performance of the Administration in an objective manner. The Board should continue to strive to strike a balance between the need to provide stakeholders with sufficient information and its efforts to streamline its reports.

25. With regard to the special requests made by the Advisory Committee, the Board should inform Member States of any additional resource requirements arising from additional audits and, in fulfilling the requests, the Board should continue to focus on those aspects falling within its technical purview. With specific reference to the request contained in paragraph 21 of the Advisory Committee's report, he stressed that the civilian support component of peacekeeping missions did not relate only to the troop strength of a given mission. It also had to respond to the size of the given mission area, the deployment locations within that area and the substantive components of the mandate.

26. Although some of the Board's recommendations might require a longer implementation period, primary managerial responsibility and accountability for implementation lay with department heads and programme managers. He therefore urged the Administration to pursue the timely implementation of all recommendations, particularly those that had not been implemented at all. The Administration should take stronger action to ensure that managers complied with the audit findings.

27. The Group concurred with the Board's main findings and recommendations. It agreed with ACABQ that cases of serious non-compliance with administrative instructions, which had led to over-

expenditure, should be addressed without delay. It had noted the recurrence of a number of findings from previous audits and urged the Administration to prioritize those areas and set time frames for the implementation of the relevant recommendations.

28. Member States must clarify the Board's responsibilities vis-à-vis those of the Administration in terms of the implementation of recommendations. The Group looked forward to receiving the Board's views on that issue. Decisions that unintentionally undermined the independence of the Board or its ability to assess the reasonableness of the Administration's response must be avoided.

29. The financial situation of United Nations peacekeeping operations had deteriorated and the Group was concerned about the impact of the ageing of unpaid assessments on the Organization's ability to meet its financial obligations, in particular the settlement of liabilities and reimbursements to troop-contributing countries, many of which were in Africa. All Member States should pay their assessed contributions in full, on time and without conditions to ensure the effective operation of all peacekeeping missions and timely reimbursements for troops and contingent-owned equipment.

30. He welcomed the Board's review of the status of implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations and noted that, in general, the Board had concurred with the earlier findings of the Office of Internal Oversight Services (OIOS) contained in document A/58/746. The findings of the external and internal oversight bodies would enhance the Committee's consideration of the resource requirements for the support account, as well as its assessment of the impact of the collective efforts to reform United Nations peacekeeping.

31. In conclusion, the African Group was encouraged by the collaboration between the oversight bodies in the planning of audit activities. That interaction would ensure the optimal use of audit resources, improved complementarity of efforts and wider coverage of audit areas.

32. **Mr. Yoo** Dae-jong (Republic of Korea) said that the Board's report was a vital tool that provided a comprehensive overview of the financial situation of peacekeeping operations. At a time when the number, size and cost of missions were on the increase, it was all the more impressive that the implementation rate of the Board's recommendations had increased considerably as compared to previous years. While significant improvements had been made to the report, in particular the inclusion of information about the status of past recommendations, it could be further refined. He would like to see expected time frames for the implementation of recommendations and the ages of previous recommendations, which would help to measure progress more accurately.

33. A more formal mechanism was needed to follow up on recommendations and ensure accountability and, in that context, he encouraged the Secretary-General to expedite the establishment of such a mechanism. In addition, the role and function of the resident auditors should be more clearly defined and lessons learned with regard to their assignment should be evaluated.

34. The 41 per cent increase in outstanding assessed contributions meant that less cash was available and the ageing of unpaid assessments was cause for concern. However, tighter financial control of peacekeeping operations might give rise to a more accurate picture of current financial needs and reassure Member States that their paid assessments were being properly managed. The support account had grown by 217 per cent between 2000 and 2005, and 110 new posts had been requested for the support account for the period 2005-2006. However, new management tools, training, information technology and other factors should lead to reduced support account requirements.

35. The Advisory Committee was right to question the value of management reviews with unavailable findings and to point out the weaknesses in the management culture of the Department of Peacekeeping Operations. As peacekeeping operations took on increasingly complex tasks in a growing number of locations, the management practices of the Department must be improved significantly. A focal point for analysing and assessing management reviews and applying their results throughout the Department was needed and its work should be linked to that of the Peacekeeping Best Practices Unit.

Agenda item 123: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/59/292, A/59/681, A/59/691, A/59/701, A/59/714 and Add.1, and A/59/730)

36. **Mr. Sach** (Controller) said that the previous 12 months had proved to be an extraordinary challenge to the Secretariat in deploying and managing peacekeeping operations. In the spring of 2004, the Security Council had established three large new peacekeeping operations: the United Nations Stabilization Mission in Haiti (MINUSTAH), the United Nations Operation in Burundi (ONUB) and the United Nations Operation in Côte d'Ivoire (UNOCI). The United Nations Mission of Support in East Timor (UNMISET) and the United Nations Mission in Sierra Leone (UNAMSIL) had entered new phases during the period 2004-2005. The operations of MONUC had again been expanded by the Council in October 2004. On 24 March 2005, the Security Council had authorized the United Nations Mission in the Sudan (UNMIS) for which the Committee had just recently concluded its review and approved start-up funding.

37. The final requirements for the financing of peacekeeping operations for the period 2004-2005 had just been completed. In June 2004, the General Assembly had appropriated a total amount of $2.8 billion. In the fall of 2004, it had appropriated resources for MINUSTAH, ONUB and UNMISET and additional resources for UNAMSIL and UNOCI. By the end of October 2004, the total peacekeeping budget for the 2004-2005 period had amounted to $3.9 billion. The final approved budget level for 2004-2005 had risen to $4.4 billion, as a result of the additional resources approved in the revised budget for MONUC, the commitment authority for UNMIS and the revised appropriation for UNMIK.

38. For the period from 1 July 2003 to 30 June 2004, total resources had amounted to $3 billion, including resources for recruitment against peacekeeping support account posts and for the United Nations Logistics Base (UNLB) at Brindisi. Related expenditures had amounted to $2.9 billion, resulting in an unencumbered balance of $149.9 million. The overall budget implementation rate had been 95 per cent, which was higher than the overall implementation rate of 92 per cent for the previous financial period from 1 July 2002 to 30 June 2003. Notable among the missions was the United Nations Mission in Liberia (UNMIL), with an implementation rate of 97 per cent in its first full budget year, which demonstrated the strides that the Secretariat had made in improving the administration and management of peacekeeping operations.

39. The period 2003-2004 was also the first performance period for which the missions were able to assess their performance against the planned results-based frameworks set out in the 2003-2004 budgets. The performance reports compared actual to expected progress and outputs for each mission. They also reflected the Secretariat's efforts to enable Member States to make fully informed decisions on peacekeeping missions by providing clearly measurable information on results and on the missions' contribution to them.

40. In addition to the timely submission of budgets for missions on the normal cycle, the Secretariat had also been able to submit full budgets for recently established peacekeeping missions within three months of the respective Security Council decisions. For UNMIS, for example, it had submitted initial financing arrangements for start-up requirements for the period from 1 July 2004 to 31 October 2005 within one week of the establishment of the Mission on 24 March 2005. Similarly, initial financing arrangements had been submitted for ONUB on 24 May 2004 (A/58/802), following its establishment by the Security Council on 21 May 2004, and its 2004-2005 budget had been submitted on 24 August 2004 (A/59/300).

41. In the light of past experience, average actual costs for salaries by grade level for each peacekeeping mission had been used in the calculation of the 2005-2006 staffing estimates. For common staff costs, a weighted average per centile of total salaries had been used based on actual costs and by peacekeeping mission. That was the first time that the Administration had deviated from the previous practice of using New York-based standard salary costs and making arbitrary mission-specific reductions on standard common staff costs to take into account the number of mission appointees. The Administration would assess the validity of its new approach to achieve more realistic budgeting estimates during the preparation of the 2006-2007 budget estimates.

42. The 2005-2006 budgets for 13 out of 15 ongoing missions, the support account and UNLB, totalling $3.6 billion, had been submitted. That lower figure reflected the absence of the full budgets for MONUC

and UNMIS and included only the commitment authority requests for the period from 1 July to 31 October 2005. The detailed 2005-2006 budgets for MONUC and UNMIS would be submitted for consideration and approval by the Assembly at its sixtieth session. The budgets for 2005-2006 took into account the downsizing of UNAMSIL and UNMIK, the liquidation of UNMISET and the planned downsizing of UNMIL on the assumption that elections would be completed in October 2005.

43. Owing to the completion in April 2005 of all financing approvals for the 2004-2005 period, it had not been possible to submit an overview report on peacekeeping operations. On the assumption that the peacekeeping financial cycle would stabilize in 2005, the Administration planned to prepare and submit such a report for the second part of the resumed sixtieth session which would reflect performance for the 2004-2005 period, proposed budgets for 2006-2007 and significant cross-cutting operational issues that affected the management of peacekeeping operations.

44. With respect to the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 (A/59/714 and Add.1), peacekeeping in the 2005-2006 period was expected to reach the unprecedented level of almost $5 billion and was not projected to significantly decrease in the subsequent one to two financial periods. For the period 2005-2006, further progress was planned towards rapid deployment capacity and improving the efficiency and effectiveness of peacekeeping support operations. That progress was demonstrated in the indicators of achievement in the results-based frameworks for each of the departments with support account resources.

45. The recent surge in peacekeeping had put an extraordinary strain on the capacity of the Secretariat to adequately support peacekeeping operations. In addition to 16 peacekeeping missions, the Department of Peacekeeping Operations managed the administrative and logistical support for 13 special political missions. In order to meet immediate capacity needs, temporary and ad hoc arrangements had been made for the Department to utilize vacant mission posts.

46. The total authorized number of military and civilian police personnel in peacekeeping operations had increased from 47,883 in 2001-2002 to 64,709 in 2004-2005 and was projected to reach 68,843 in 2005-2006. The substantial growth in the number of authorized military and civilian police personnel directly affected the ability and capacity of all concerned offices in the Secretariat to support and manage peacekeeping operations. As a result, the 2005-2006 budget included proposals for an increase of 110 posts, including the transfer of 10 resident auditor posts from the mission budgets of MINUSTAH, ONUB and UNOCI.

47. For the period from 1 July 2003 to 30 June 2004, approved resources and expenditures amounted to $111.2 million, with an unencumbered balance of $0.87 million, resulting in an overall budget implementation rate of 99.2 per cent. The unencumbered balance was attributable primarily to underexpenditure in respect of consultants, official travel, facilities and infrastructure and other supplies, services and equipment. The actions to be taken by the General Assembly were set out in paragraph 45 of the performance report.

48. With respect to the budget for the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006 (A/59/730), approved resources for 2004-2005 amounted to $121.6 million against a proposed 2004-2005 budget of $150.7 million. The report reflected an increase of 110 posts, comprising 100 new posts and the transfer of 10 resident auditor posts from mission budgets. The report also reflected the rejustification of six posts, but no reclassification of posts.

49. The additional requirements under general temporary assistance related to the pilot project on freight-forwarding operations of the Procurement Service; clearance of backlogs of the Archives and Records Management Section; processing of sexual exploitation and abuse cases in peacekeeping missions by the Administrative Law Unit of the Office of Human Resources Management; and the development of a field finance training course module and standardized budget templates for various sizes of missions in the Department of Peacekeeping Operations. The additional resources under consultants were required for the development of tools to capture best practices for the Peacekeeping Best Practices Unit in the Department; an independent review of the reform and restructuring of the Department; development of management tools for the monitoring of human resources in peacekeeping missions; and

development and implementation of two new information management systems, the customer relationship management programme and the Enterprise Content Management programme (ECM). Additional requirements under information technology included the maintenance and enhancement of the Peacekeeping Best Practices Unit's website and the development of the new information technology projects: the Department of Peacekeeping Operations portal and ECM. The actions to be taken by the General Assembly were set out in paragraph 407 of the budget report.

50. The report of the Secretary-General on criteria used for recruitment to support account posts (A/58/767), took into account the situation of troop-contributing Member States. The methodology used in the report provided for a number of options in conjunction with the system of desirable ranges for recruitment against posts financed by the support account.

51. The small number of factors that could be used to determine a system of desirable ranges included membership, population, contribution and troop contribution. The analysis in the report showed that the differences between the proposed options were small. Reductions in the weight of the contribution factor in favour of the proposed new troop contribution factor had a marginal impact on Member States' representation status. The number of over-represented Member States remained unchanged and there would be slight changes in the current representation status of only a few Member States (major troop-contributing countries).

52. With regard to the performance report on the budget of the United Nations Logistics Base for the period from 1 July 2003 to 30 June 2004 (A/59/681), total expenditure had amounted to $22.1 million against approved resources of $22.21 million, resulting in an unencumbered balance of $0.15 million and a budget implementation rate of 99.1 per cent. The actions to be taken by the General Assembly were set out in paragraph 17 of the performance report.

53. Concerning the budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2005 to 30 June 2006 (A/59/691), $28.4 million had been approved for 2004-2005 against a proposed budget of $37.7 million. The actions to be taken by the General Assembly were set out in paragraph 22 of the budget report.

54. The report of the Secretary-General on implementation of the strategic deployment stocks, including the functioning of the existing mechanisms and the award of contracts for procurement (A/59/701) included proposals based on the lessons learned from mission start-ups that might help in enhancing the efficiency and effectiveness of the stocks used to support the rapid deployment of United Nations peacekeeping and peacebuilding operations. The actions to be taken by the General Assembly were set out in paragraph 44 of the report.

55. With regard to the report of the Secretary-General on reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/59/292), the Secretariat had convened the 2004 Working Group on Contingent-owned Equipment from 23 February to 5 March 2004 to conduct a triennial review of reimbursement rates and to update the standards of major equipment and self-sustainment categories developed by the Phase II and Phase III Working Groups. In addition, the General Assembly had decided to request the Working Group to consider the proposed methodology contained in the report of the Secretary-General on review of the rates of reimbursement to the Governments of troop-contributing States (A/57/774). While the Working Group had agreed on a number of issues, consensus had not been reached on the following matters: the triennial review of reimbursement rates for major equipment and self-sustainment; a proposed refinement of the current methodology for the triennial rate review of contingent-owned equipment; a mechanism to provide guidance and decision-making on contingent-owned equipment; a proposed modular medical concept; and a proposed methodology to review the rates of reimbursement for troop costs. The actions to be taken by the General Assembly were set out in paragraph 24 of the report.

56. The previous 12 months in peacekeeping had been turbulent and there were no signs that the situation would change in the near future. The year had demonstrated the commitment of all staff to getting the job done to the best of their abilities and had confirmed the volatile and unpredictable nature of peacekeeping, which would continue to challenge the commitment and dedication of the entire Secretariat.

57. **Ms. Scott** (Director of the Administrative Support Division of the Department of Peacekeeping Operations) introduced the reports of the Secretary-General on measures that would better streamline the policy guidelines related to the temporary duty assignment of staff in peacekeeping missions (A/57/787); measures to expedite recruitment for field missions, taking into account the delegation of recruitment authority to field missions, including the use of fair and transparent recruitment procedures and monitoring mechanisms (A/58/764); greater use of national staff in field missions (A/58/765); the status of the civilian rapid deployment roster (A/59/763); the staffing of field missions, including the use of 300 and 100 series appointments (A/59/762); training policy and evaluation system of the Department of Peacekeeping Operations (A/58/753); and functional requirements of field missions for communication and information technology (A/58/740). Taken together, the reports offered insight into recent efforts to strengthen the ability of the Department of Peacekeeping Operations to staff peacekeeping operations through competitive, fair and transparent processes that yielded highly qualified personnel.

58. The report of the Secretary-General on greater use of national staff in field missions (A/58/765) described the evolution of the use of national staff, including at the Professional level, in peace operations. The Department had adopted the "light footprint" strategy recommended by the Panel on United Nations Peace Operations and noted with satisfaction that the number of authorized national staff posts in field missions had increased since the report had been issued. As of mid-April 2005, that number had increased from 206 to 453, and the number of national staff in the General Service category had increased from 8,925 to 10,036, excluding the full deployment planned for UNMIS.

59. The report of the Secretary-General on the temporary duty assignment of staff in peacekeeping missions (A/57/787) described the various administrative mechanisms for the release of both international and locally recruited staff for temporary service with United Nations peace operations, as well as arrangements made for their return on completion of their assignments. While those mechanisms remained in effect, the context of the report had changed significantly with the surge in peacekeeping since October 2003. Additional developments included the measures to expedite recruitment for field missions, described in the report of the Secretary-General (A/58/764). Those measures included the development of generic job profiles and the circulation of generic vacancy announcements, using the Galaxy system, to build rosters of pre-vetted candidates to be made available to field missions. In an effort to enhance planning and to enable more timely recruitment efforts, an online vacancy tracking and reporting system was being introduced both at Department headquarters and in field missions. The Department was also developing further its electronic screening techniques to manage the exponential growth in the number of applicants.

60. The Department headquarters worked very closely with its colleagues in the field in the selection of suitable candidates for field service. With the exception of Pillar I and Pillar II recruitment for UNMIK and the civil administration component recruitment for UNMISET, recruitment authority to date had remained with Department headquarters. The Kosovo and Timor-Leste experiences had demonstrated the need to strengthen the guidance, training, tools and support provided before an expansion of delegated recruitment authority could be pursued.

61. The Department was re-profiling the role of the Chief Civilian Personnel Officer to reflect the skills and competencies required to exercise expanded authority. It would also expand its mission assistance visits to provide training, monitoring and support to field missions in the exercise of both administrative and recruitment authority.

62. Mission start-up was probably the most critical phase in the life of a mission. It was crucial for missions to get off to a good start. The report of the Secretary-General (A/59/763) described the civilian rapid deployment roster developed by the Department in 2003 to meet the critical civilian personnel requirements for the start-up, expansion or liquidation phase of a mission and evaluated the experience in the development and use of that roster during the surge in peacekeeping between October 2003 and 2004, on the basis of exercises conducted by the Office of Mission Support and the Peacekeeping Best Practices Unit.

63. Those exercises had identified the need for improvements to be made in the process and for enhanced effectiveness and reliability of the rapid deployment roster. Measures should include expanding the pool of eligible staff who could participate in the

programme to include staff outside of the Department; mechanisms to strengthen the ability to identify and secure the timely release and return of all parties involved; expanding the length of deployment from 90 to 120 days; and strengthening the training of the rapid deployment team.

64. The report of the Secretary-General on staffing of field missions (A/59/762) dealt with the reappointment of mission staff members who had reached the four-year limit under a 300 series appointment of limited duration and submitted proposals on functions deemed relevant for reappointment under the 100 series. In summary, of the 346 international staff members who would have reached, or exceeded, four years of service under a 300 series appointment of limited duration by 30 June 2005, 287 had been deemed to meet the criteria set out in resolution 59/266. Of the remaining number, 48 staff members had not met those criteria owing to the anticipated downsizing in the mission in which they were serving; four staff members would reach the age of retirement before 30 June 2005; the performance of five staff members had not been confirmed as fully satisfactory; and the appointments of two staff members remained under review.

65. In addition to the traditional peacekeeping role, mission mandates had grown more complex, involving a variety of tasks that included political work, governance, humanitarian activities, human rights, rule of law and security and protection. Missions were often operating in long-lasting and dangerous post-conflict situations. In practical terms, the new peacekeeping model meant that the Department had to attract, recruit and develop highly skilled and experienced staff, retain their services and adequately compensate them for the dangerous and difficult conditions under which they served.

66. Turning to the report of the Secretary-General on the training policy and evaluation system of the Department of Peacekeeping Operations (A/58/753), she said that the overall objective of the training policy was to ensure that peacekeeping personnel were qualified to meet the evolving challenges of peace operations. In that context, the training policy would establish benchmarks and certifications for the specific skills and competencies required of military, civilian police and civilian personnel, as well as for the requirements common to all categories of personnel. An integrated approach was being applied so as to ensure optimal use of resources, with activities being directed towards the achievement of the Department's strategic goals, priorities and mission mandates. The proposed system to monitor and evaluate the results of training was based on the Kirkpatrick model (A/58/753, para. 27). Evaluation would be dealt with comprehensively on five ascending levels, enabling the Department to analyse not only what participants had learned at the conclusion of the training, but also the benefit to missions and the contribution to the attainment of the Department's objectives.

67. The report of the Secretary-General on the functional requirements of field missions for communication and information technology (A/58/740) outlined the mandate of the Communications and Information Technology Service and the wide range of services provided to the Department of Peacekeeping Operations at Headquarters and to peacekeeping and other supported missions, offices, tribunals and agencies. The Service worked in close cooperation with the Information Technology Services Division of the Office of Central Support Services to establish enterprise architecture and set standards to promote inter-operability and integration. The report detailed the strategies employed to make sure that information and communication technology (ICT) assets were managed in the most cost-effective and efficient manner throughout the entire life-cycle of the equipment, as well as the governance structures in place in the Department of Peacekeeping Operations to ensure the alignment of ICT strategies with the Department's programme objectives. The relationship between the Communications and Information Technology Service at Headquarters and the United Nations Logistics Base at Brindisi and field missions was outlined in annex I to the report; annexes II and III contained graphs and tables showing the rate of replacement of information technology equipment and the status of new and ongoing projects.

68. **Ms. McDonald** (Director of the Facilities and Commercial Services Division in the Office of Central Support Services) introduced the report of the Secretary-General on the analysis of establishing a global procurement hub for all peacekeeping missions in Brindisi, Italy (A/59/703), which summarized the findings of an independent study on the feasibility and potential impact of relocating various logistics and procurement support functions from Headquarters to the United Nations Logistics Base at Brindisi. An

international consulting firm had been engaged to conduct the study to ensure that it was thorough and objective.

69. The independent consultants had determined that it was important for procurement and logistics functions to be co-located owing to their close interdependence. However, the establishment of a consolidated hub at Brindisi would require the relocation of approximately 130 posts. A survey of the existing infrastructure had shown that major construction and refurbishment would be necessary to accommodate those additional staff. While the deficiencies identified by the consultants in terms of medical and education facilities were being remedied, to the extent possible, the financial benefits from the relocation of procurement and logistics functions would be very limited with only modest savings in operating costs of less than 5 per cent and with a return-on-investment period of nine years. The current trend in the United States dollar and euro exchange rates was also not favourable to such a move. Based on the consultants' analysis of the costs and benefits of relocation, the Secretary-General had concluded that it would be neither operationally advantageous nor cost-effective.

70. The report of the Secretary-General on procurement and contract management for peacekeeping operations (A/58/761) had been issued in response to concerns raised by the Board of Auditors and the General Assembly. It addressed such matters as the issuance of a code of ethics for procurement staff, procurement planning, training, measures to improve lead time, vendor performance reporting and vendor registration. Document A/59/688 contained an update of the report covering the latest developments in procurement and contract management in peacekeeping operations.

71. The Procurement Division in the Department of Management and the Logistics Support Division in the Department of Peacekeeping Operations were working closely together to improve performance in those areas, and significant progress had been made. For example, the ethical guidelines for staff members involved in the procurement process were being finalized and would shortly be submitted to the Office of Legal Affairs and the Office of Human Resources Management for comments. The declaration of ethical responsibilities had been reviewed by those offices and was about to be promulgated via a Secretary-General's bulletin. The vendor code of conduct had been finalized, and the Procurement Division was currently working on implementing guidelines to accompany it. A revised delegation of authority document had been issued to the Assistant Secretary-General for Mission Support in February and would be transmitted to peacekeeping missions following clarification of certain operational issues. Lastly, the Administration was taking steps to improve the quality and timeliness of procurement planning in the missions, which was critical to effective and efficient procurement management.

72. **Mr. Hanrahan** (Chairman of the Working Group on Contingent-Owned Equipment), introducing the report of the Working Group on Contingent-Owned Equipment (A/C.5/58/37 and Corr.1), said that the Working Group had met from 23 February to 5 March 2004. Four sub-working groups had been established to discuss the four main items on the Working Group's agenda: major equipment, self-sustainment, medical support services and troop costs.

73. It had been clear from the outset that a number of Member States had concerns about the data-collection methodology, although others fully supported it as a sound and comprehensive basis for conducting the triennial reviews. Owing to those differences of opinion, no consensus had been achieved on the triennial reviews of reimbursement rates for major equipment and self-sustainment. However, with regard to major equipment, agreement had been reached on a further definition of when a commercial pattern vehicle should be reimbursed as a military pattern equivalent, on standard reimbursement rates for certain special cases and new categories of major equipment, and on a threshold value of $500 for special cases, while in the self-sustainment sub-working group, consensus had been achieved on a new quarterly verification process.

74. The medical support services sub-working group had reviewed a modular medical concept paper and national cost data for pharmaceuticals, predeployment vaccination and medical self-sustainment. Consensus had been close on those issues, but the failure to reach agreement on major equipment and self-sustainment rates had impacted the discussions in the sub-working group.

75. The troop costs sub-working group had reviewed the proposed methodology for rates of reimbursement to Governments of troop-contributing States, as contained in document A/57/774. It had also

considered basic salary and allowances, allowances for the usage of personal clothing, pre-post and post-deployment medical costs, travel costs, peacekeeping-related training costs and the status of the daily allowance. However, no consensus had been achieved on those issues. There was an urgent need to replace the current subjective reimbursement methodology, which had been approved on an interim basis in 1974. The report of the Secretary-General on reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/59/292) seemed to offer a way forward. The Committee should take action on the report before the Working Group's next session.

76. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of ACABQ (A/59/708, A/59/722, A/59/736 and Add.2 and A/59/784), expressed appreciation to the Department for General Assembly and Conference Management for the close cooperation afforded the Advisory Committee and the speedy issuance of its reports. While there had been an improvement in the timely submission of peacekeeping-related reports, in 2005, reports on some of the largest missions had not been submitted for consideration by the Advisory Committee until the end of its winter session. That had left a very narrow window for the Advisory Committee's own reports to be finalized, processed and issued in time for their consideration by the Fifth Committee at the second part of the resumed session. Given the current level of peacekeeping activity, those difficulties were likely to persist. There was thus a need to consider how best to synchronize the work of the Advisory Committee and that of the Fifth Committee. In his view, more time should be allowed between the end of the Advisory Committee's winter session and the start of the second part of the resumed session so that delegations had sufficient time to read and digest the reports of ACABQ before debating them in the Fifth Committee. Given the time taken to prepare the Secretary-General's reports, it would be unrealistic to expect the Advisory Committee's winter session to start earlier than the beginning of February. It would therefore be advisable to consider starting the second part of the resumed session later in the month of May.

77. The Advisory Committee's workload at its winter session made it imperative to limit that session to the consideration of peacekeeping-related reports, as was intended in General Assembly resolution 49/233 A. The Advisory Committee would therefore seek to maintain its practice of considering only peacekeeping issues at its winter session, unless a time-sensitive matter emerged requiring immediate appropriation. In that connection, he reiterated that related issues should be grouped together in a single report and addressed comprehensively, instead of piecemeal in a series of reports. To the extent possible, matters related to the regular budget should be dealt with in the context of the overall consideration of regular budget issues. If the Fifth Committee was to function efficiently, there must be an orderly process for the consideration of the many issues before it. That would also facilitate the Advisory Committee's contribution to its work.

78. Matters arising from the reports of the Secretary-General on peacekeeping operations and other peacekeeping matters were addressed, for the most part, in the Advisory Committee's general report (A/59/736). As stated therein, the Advisory Committee was becoming increasingly concerned about unevenness in the quality of presentation of the documentation submitted to it. Conditions in the field could make it difficult to carry out a rigorous budget exercise according to strict procedures and guidelines. It was therefore important to appoint the best and most experienced managers to carry out administrative, financial and budgetary responsibilities in peacekeeping missions. Weaknesses in those areas could affect a mission's ability to carry out its mandate efficiently and effectively. In addition, the provision by missions of information that was incomplete, inaccurate or needing revision impeded the work of the Advisory Committee. The ultimate responsibility for maintaining standards with regard to the presentation and timeliness of budget submissions and the integrity of the information contained therein lay with the responsible officials of the Department of Peacekeeping Operations and the Department of Management, who must also ensure that the directives of the General Assembly were implemented, both at Headquarters and in the field.

79. The administrative structures of missions, especially complex integrated missions, were a matter of continuing concern to the Advisory Committee. In some cases, reviews were being carried out, but in others, there was little evidence that serious thought was being given to streamlining and rationalizing duplicative and top-heavy arrangements. There was

also a growing tendency to establish new units to carry out additional functions, which could either be combined or assigned to staff carrying out other related functions. In order to address those issues, any mission that had not already done so should consider establishing a management committee consisting of section chiefs who would meet from time to time to share information and assess reports of the staff charged with carrying out administrative, management, financial, budget and information functions and report to the Special Representative of the Secretary-General as needed. In addition, there was a need to clarify how Joint Mission Analysis Cell functions could be coordinated with strategic planning and best practices functions.

80. The Advisory Committee had also noted with concern the tendency to use peacekeeping budgets to introduce initiatives with policy implications without first seeking the necessary guidance from the General Assembly. One such initiative was the proposal in a number of budgets to use assessed contributions to fund activities under the humanitarian pillar of peacekeeping operations, which had traditionally been funded through voluntary contributions. The General Assembly should pronounce itself on the matter so that a consistent policy could be adhered to in the preparation of peacekeeping budgets. A related issue was the funding of the position of Deputy Special Representative of the Secretary-General in charge of the humanitarian pillar. The Advisory Committee was of the view that the United Nations Development Programme (UNDP) should fund the posts up to the D-2 level, with the United Nations paying any additional amount required should the posts be established at a level higher than D-2.

81. The report also examined the latest advances in results-based budgeting. While significant progress had been made, further effort was required in some areas. The effectiveness of results-based budgeting depended on having adequate financial systems to support it. The intergovernmental consideration of budgets remained input-driven. A commitment was therefore needed on the part of all concerned to make results-based budgeting a truly effective management and decision-making tool.

82. The Advisory Committee's discussion of general issues relating to the military component of peacekeeping operations had touched on such matters as rations, troop-strength reporting and accommodation for military personnel. Improvements had been noted in the timely and cost-effective provisions of rations. However, several issues, including quality assurance, still needed to be addressed. The primary consideration should be the efficient supply of fresh high-quality food to military personnel, taking into account any cultural or religious requirements.

83. Regarding the civilian component, a major concern was the proposal to convert a large number of personnel on special service or individual contractor agreements to national General Service staff, with the explanation that those personnel carried out core or continuing functions. Proper budgetary procedure required that continuing functions should be carried out by staff occupying established posts, with the related costs charged against staff costs rather than operational costs. However, over the years the Secretariat had consistently misused the provision for special service and/or individual contractor agreements, resulting in adverse financial implications. The Advisory Committee therefore requested that future submissions should contain detailed performance information on arrangements with individual contractors in order to confirm that they were being hired in accordance with proper procedure. Similarly, information should be provided on any planned use of such arrangements in the forthcoming period. The Advisory Committee also highlighted in its general report the need to increase the use of national staff, expedite the review of the Field Service category and define clear parameters for the employment of United Nations Volunteers.

84. With regard to operational activities, the Advisory Committee had made wide-ranging comments and recommendations in a number of areas. It had, inter alia, emphasized the need for mission-specific training and for a mechanism to evaluate the effectiveness of training and track competency gaps. The model developed must be specifically suited to the unique organizational qualities and particular skill requirements of the United Nations and its peacekeeping activities. Travel must be strictly monitored, particularly training-related travel, and maximum use should be made of advances in communication and information technology. Given the high cost of ground transportation, the Department of Peacekeeping Operations should develop a policy with regard to the purchase and assignment of both standard civilian and specially equipped armoured vehicles, as well as representational vehicles. Advice should be

sought from the Department of Safety and Security and others concerning security and road safety requirements for special vehicles. Concerning air transportation, the Department of Peacekeeping Operations was again asked to address the chronic problem of overbudgeting, while the Board of Auditors was requested to look into medical evacuation arrangements in the missions. Other issues examined included unnecessary expenditure on special equipment for aircraft, the need for an aircraft tracking system and inter-agency cooperation in the use of air assets. The Advisory Committee welcomed the intention of the Department of Peacekeeping Operations to regionalize its air operations approach and encouraged missions to keep the use of executive jets under review.

85. In its report on the support account (A/59/784), the Advisory Committee recommended a reduction of nearly $7.1 million in the proposed budget for the support account for the period from 1 July 2005 to 30 June 2006. A total of 110 additional posts were proposed for establishment under the support account in 2005-2006, including 10 resident auditor posts to be transferred from mission budgets. The Advisory Committee recommended approval of 69 posts. Of the remaining 41 posts, the functions of 4 posts should be provided through redeployment and the functions of 14 posts through general temporary assistance.

86. A major concern of the Advisory Committee was the nature of the support account itself. Since its establishment in 1991, there had been a significant expansion of United Nations peacekeeping activities, as well as improvements in backstopping capacity. In addition, peacekeeping missions themselves had evolved substantially into complex operations of a multidimensional character with their own intellectual, managerial and logistical capacities. Moreover, considerable authority had been delegated from Headquarters to the field. The support account, too, had evolved well beyond what was originally foreseen. The Advisory Committee therefore recommended that the Secretary-General should be requested to analyse the evolution of the support account, starting with the original concept of overload, and to describe changing needs to justify departures from that concept.

87. Another concern was the issue of coordination and cooperation between the Department of Peacekeeping Operations and the Department of Political Affairs to ensure complementarity and avoid potential duplication and overlap. In that connection, the Secretariat should consider the possibility of redistributing resources between the two departments so as to reflect changes in activities and priorities.

88. The Advisory Committee recommended a reduction of $6.2 million in the budget for UNLB for the period from 1 July 2005 to 30 June 2006. That reduction was mainly the result of its recommendations related to the San Vito expansion project. The Advisory Committee had examined the site in May 2004 and had found the proposed expansion to be a good idea. However, the proposed arrangements with the Government of Italy, as well as between the Department of Peacekeeping Operations and the World Food Programme (WFP), together with the related financial implications, should be brought to the attention of the General Assembly, through the Advisory Committee, before any agreement was signed. No action should therefore be taken yet with regard to the provision of $5.4 million for the first phase of the proposed expansion plan.

89. The Advisory Committee would not object to a one-time across-the-board conversion of 64 individual contractors into 64 national posts, since the functions they performed were required on a continuing basis. However, proper procedure should be followed without variance in future.

90. The proposed establishment of the Logistics Base training cell represented a new and important phase in the development of a Department-wide training strategy that would impact on resource requirements and on training programmes at Headquarters, in peacekeeping operations and at the Base. A comprehensive review of such a strategy should therefore be undertaken and its results reported to the General Assembly at its sixtieth session. The report should specifically indicate the role of the proposed training cell in the overall training strategy and provide concrete workload statistics to justify the number of posts requested. Pending such a review, no action should be taken in connection with the proposed staffing requirements of the Base training cell.

91. The Advisory Committee recommended that the General Assembly should approve the use of savings derived from liquidation of strategic deployment stock obligations and the unspent balance to cover losses on currency exchange and replenishment of the stocks, as described by the Secretary-General in his report (A/59/701). It should also approve the inclusion of

replenishment of strategic deployment stocks within the $50 million commitment authority.

92. The Advisory Committee's comments regarding the report of the Secretary-General on an analysis of establishing a global procurement hub for all peacekeeping missions in Brindisi, Italy (A/59/703) were provided in its general report (A/59/736). Notwithstanding the disadvantages of relocating staff and resources to the Base, there was a greater potential to maximize the benefits derived from the considerable investment in information and communication technology at Brindisi and elsewhere. A further analysis should therefore be made of how the Base could best be utilized to provide efficient and economical communication, information and other services for United Nations peacekeeping and Headquarters clients. The analysis should also address the cost-effectiveness of reducing reliance on commercial providers in favour of increasing the role of the Base. Such an analysis should be available to the Committee in time for account to be taken of it during its consideration of the next round of peacekeeping budgets for 2006-2007.

93. The Advisory Committee's detailed comments on procurement and contract management for peacekeeping operations were contained in its report (A/59/722), which should be read in conjunction with its general report (A/59/736). Despite the progress made in recent years, problems persisted in the area of field procurement. The reports of the Secretary-General (A/58/761 and A/59/688), unfortunately, did not fully address the findings of the Board or other oversight bodies, including the specific measures taken to correct deficiencies, or the problems encountered by management in implementing related recommendations. Future reports should be more specific and fully reflect and build upon the findings and recommendations of the oversight bodies. They should clearly indicate the measures taken to implement them and constraints hampering their full implementation, and statements should be supported by specific examples and empirical data. All of that should be done in the context of the further development of a culture of accountability within the Organization, as recommended by the Advisory Committee in its report (A/59/400, paras. 10 and 11).

94. The Secretary-General should finalize, promulgate and implement expeditiously the guidelines on ethical principles as well as the declaration of independence. The expeditious finalization and promulgation of the code of conduct for suppliers and the revised General Conditions were also recommended.

95. Efforts to improve the professionalism of procurement officers in peacekeeping missions were welcome and should also facilitate acceptance of increased responsibility by trained staff.

96. The Advisory Committee underlined the importance of revisiting procurement plans on a quarterly basis to ensure that they were updated with regard to the operational requirements of a mission, and the need to enforce the use of procurement plans as tools to facilitate effective and efficient procurement management, as recommended by the Board of Auditors. It noted the detailed information contained in the report of the Secretary-General on functional requirements of field missions for communication and information technology (A/58/740), which had been issued in response to the General Assembly's request for comprehensive information on the subject, and recalled that the aim of the report was to encourage the translation of advances in information and communication technology into identifiable productivity gains and, as far as possible, actual savings and/or increased potential for future economies, once the initial investment had been amortized.

97. The Advisory Committee's comments concerning the report of the Secretary-General on the training policy and evaluation system of the Department of Peacekeeping Operations (A/58/753) were contained in its general report.

98. The reports of the Secretary-General introduced in documents A/57/787, A/58/764, A/58/765, A/59/762 and A/59/763 were all covered in the Advisory Committee's general report under the heading "staff in the field". The Advisory Committee noted that the Secretariat was preparing a comprehensive proposal on a framework for the use of staff in missions and recommended that the General Assembly should take note of the information contained in those reports. It noted further that one of the reports under consideration was several years old.

99. The Committee had often pointed to the need to reduce the number of reports prepared for submission to various intergovernmental bodies. To that end, the Secretariat should consider ways and means of

combining reports on similar and/or related issues. That approach would not only reduce the number of reports to be taken into consideration but would also provide for a more comprehensive consideration of the subject.

100. With regard to the report on staffing of field missions, including the use of 300 and 100 series appointments (A/59/762), the Secretary-General should be authorized to continue the practice of reappointing serving staff under 100 series contracts after they reached the maximum period of service permitted under a 300 series appointment of limited duration, subject to the criteria set out in section X, paragraph 2, of resolution 59/266, namely, a continuing need for their services and a fully satisfactory performance record. The criteria for reappointment should be rigorous and consistently applied. Pending consideration of the aforementioned comprehensive report, no action should be taken on appointing staff to the 100 series.

101. In its report on budgetary and administrative questions (A/59/708), the Advisory Committee pointed out that the General Assembly would have to decide, as a matter of policy, whether or not to accept the proposal of the Secretary-General to maintain the current reimbursement rates for troop costs until such time as the General Assembly determined that an adjustment was warranted (A/59/292, para. 25 (f)). The Advisory Committee recalled the recommendation contained in its previous report on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (A/55/887, para. 13), and recommended that consideration should be given to having recourse to a diverse group of qualified, experienced and impartial individuals, who would provide the broadest scope of background to study and make proposals on the factors and elements on which the reimbursement of troop costs could be based.

102. United Nations peacekeeping activities continued to grow in size and importance. The aggregate level of peacekeeping expenditure far outstripped the level of the regular budget. While there had been advances in attempting to regulate what used to be a very chaotic situation with regard to the administration and financing of peacekeeping operations, that area of activity lagged far behind the discipline which characterized the process for the regular budget. Peacekeeping activities would continue for the foreseeable future and it was incumbent on all concerned to learn from past successes and mistakes. The Committee intended to take an active role in fostering the establishment of consistency and efficiency in the structure, financing and operation of peacekeeping missions. It also stood ready to continue to encourage and contribute towards the orderly development of the peacekeeping side of United Nations activities.

103. **Ms. Dixon** (Officer-in-Charge of the Office of Internal Oversight Services (OIOS)), introducing the report of the Office of Internal Oversight Services on the first year of experience of regional investigators in two hubs, Vienna and Nairobi (A/59/546), said that the report provided an assessment of the regional investigator programme of the Investigations Division of OIOS after its first year of operation (July 2003 to June 2004) as well as an overview of the caseload at the two regional hubs. The report highlighted some of the significant matters investigated, notably allegations of sexual exploitation against the civilian and uniformed personnel of MONUC and cases investigated by the anti-corruption Investigations Task Force initiated by OIOS and the United Nations Interim Administration Mission in Kosovo (UNMIK).

104. Most peacekeeping investigation cases handled by OIOS were located away from Headquarters, primarily in peacekeeping operations in Africa, Europe and the Middle East. In the annual period under review, there had been an increase of about 8 per cent in reports to OIOS of significant alleged wrongdoings at peacekeeping operations.

105. The investigation of significant, high-risk cases allowed regional investigators limited time to address other cases, which as a result might be delayed or referred to mission management. Accordingly, the time needed to complete an average case was estimated to have increased from 250 to 340 person-hours.

106. It was estimated that about 230 cases would be received for the year 2004-2005, about a third of which would be assessed as significant and requiring immediate investigation. Current investigative resources could not cope with that number of significant cases, let alone all the matters requiring investigation.

107. The Office's report concluded that a combination of regional and resident investigators would be the most beneficial and effective approach to meeting the

demand for immediate action to mitigate the risk of significant cases at field operations.

108. The investigations of OIOS had been generally well received by the Department of Peacekeeping Operations and mission management, which were aware that mission-based, internal investigations might not produce results that were perceived to be sufficiently unbiased and evidence-based. The use of independent investigators from OIOS therefore not only ensured due process for all parties but also wider acceptance of the findings among all stakeholders.

109. The first year of operation had revealed the merits of the regional hubs to the extent that costs per case and travel times were significantly reduced compared to those for investigations handled by staff based at United Nations Headquarters. Thus, investigators could undertake more missions per year at less cost than had been anticipated.

110. Reliance on regional investigators alone, however, meant a loss of the ability of OIOS investigators to develop detailed knowledge of the individual missions, as was the case with resident investigators. The larger and more complex missions demanded a more readily available presence by investigators, especially for sexual exploitation and abuse cases and other cases that were time-sensitive.

111. Thus, a mixture of regional and resident investigators at the larger missions would better address the needs of the missions without compromising the investigation of significant cases at the other missions or the smaller, but potentially serious, cases at larger missions. Moreover, resident investigators could more readily respond to matters as they arose. That fact, in itself, could reduce further violations and produce more timely findings.

112. Managers at the peacekeeping missions had informed OIOS of the quicker response times of regional investigators compared to those of investigators previously based at United Nations Headquarters. The managers, particularly at the larger missions, had also indicated that resident investigators would be extremely useful since they could better address and provide advice to managers on a myriad of issues at the earliest possible juncture.

113. The closure of resident investigator offices in East Timor and Kosovo had had an adverse effect upon the number of reports received by the Office. Work for UNMIK and MONUC during the reporting period had effectively consumed all of the regional investigators' time. Resident investigators needed to be based at, and providing services to the smaller missions, as well as working on cases requiring substantial resources at the larger missions.

114. Introducing the report of OIOS on the global audit of field security management (A/59/702), she said that, following the Baghdad bombing, OIOS had decided to take a proactive role in helping the Organization to identify and mitigate the high risks that staff were exposed to in the field. Accordingly, OIOS had initiated a global audit of field security management that was planned and carried out in close cooperation with the Department of Peacekeeping Operations, the Office of the United Nations Security Coordinator and UNDP. The audit had been conducted in 15 field missions managed by the Department of Peacekeeping Operations and five political and peacebuilding missions managed by the Department of Political Affairs.

115. The report consolidated the results of the 20 individual audits that had been conducted by OIOS in June and July 2004. Upon completion of the audits, OIOS had provided the Secretary-General with a summary of the main findings, which had been taken into account in the report of the Secretary-General on the strengthened and unified security management system for the United Nations (A/59/365).

116. While the audit showed that basic security arrangements existed or were being improved in most missions, there was still a considerable need for improvement in the following areas: security structures, both at Headquarters and in the field; security plans and policies and their implementation; deployment and administration of personnel; budgeting and resourcing; coordination with the host Government and the external military force and among United Nations agencies; and physical security.

117. The report raised several critical issues relating to the organization of the security function. Some missions had experienced difficulties in identifying and clearly understanding the roles of various security governing bodies and individuals. There was also some confusion as to whether the Office of the United Nations Security Coordinator or the Department of Peacekeeping Operations security standards and operational guidelines should be applied in areas where

both peacekeeping missions and other United Nations organizations operated. Furthermore, many missions had insufficient resources to organize the security function to ensure compliance with security requirements. Reporting lines were also often inappropriate and there was a need to improve accountability and reporting procedures in mission security frameworks. In some missions, chief security officers did not report to, and were not evaluated by, the respective head of mission.

118. Most missions did not fully comply with the minimum operating security standards and the security plan was either incomplete or out of date, and often not tested or rehearsed. The security warden system was deficient in some missions and internal communications between staff and the mission security section were poor. Missions did not maintain updated lists of personnel and there was not enough awareness of the importance of security among United Nations personnel in some duty stations.

119. Immediate action was needed to address weaknesses in the physical security of United Nations personnel and premises. Security training also needed improvement to raise the level of staff awareness to potential threats and knowledge of security procedures in field missions.

120. The Department of Safety and Security and the Department of Peacekeeping Operations had accepted all 20 recommendations resulting from the global security management audit. OIOS would closely monitor the implementation of its recommendations and make every effort to assist the respective departments and field missions in developing a sound and transparent system of internal controls.

121. Introducing the report of OIOS on the audit of mission subsistence allowance policies and procedures (A/59/698), she said that the objectives of the audit were to determine whether the mission subsistence allowance rates established for special peacekeeping missions were reasonable and whether the Office of Human Resources Management had been monitoring the administration of those rates.

122. The mission subsistence allowance constituted a significant portion of overall peacekeeping costs. For the period from 1 July 2004 to 30 June 2005, those payments were expected to exceed $554 million, or 15 per cent of the total budget expenditure of the 11 special peacekeeping missions. The establishment and management of the rates thus constituted an area of high risk to OIOS and the United Nations.

123. The rates set by the Secretary-General should reflect the subsistence costs (including food, lodgings and incidental items) based on the conditions that eligible peacekeeping staff actually incurred in each mission area. Furthermore, the rates should generally be lower than, and certainly not exceed, the daily subsistence allowance rates established by the International Civil Service Commission for short-term travel to the same locations, given that mission personnel were assigned for at least six months and therefore normally found hotels and did not always have to eat in restaurants.

124. While the Office of Human Resources Management had improved its oversight of mission subsistence allowance rates, three of the seven missions — the United Nations Mission for the Referendum in Western Sahara (MINURSO), the United Nations Mission in Ethiopia and Eritrea (UNMEE) and UNMISET — had rates higher than the applicable daily subsistence allowance rates. The Office of Human Resources Management had not agreed to lower the mission subsistence allowance rates in MINURSO and UNMEE, noting that the poor conditions of service in MINURSO warranted higher miscellaneous rates than were normally paid. It had also objected to having separate mission subsistence allowance rates in the two mission countries based on different daily subsistence allowance rates, noting that a mission-wide single rate would better meet operational requirements. Mission subsistence allowance rates in UNMISET had been lowered in response to the review.

125. The Department of Peacekeeping Operations and the Office of Human Resources Management had agreed that a workable solution regarding mission subsistence allowance rates, proposed by OIOS, was to undertake the comprehensive review requested earlier by the Special Committee on Peacekeeping Operations and to consider establishing a two-component mission subsistence allowance structure, one to cover food and housing and the other to compensate for the difficult living conditions encountered in peacekeeping duty stations.

126. OIOS would continue to monitor and review the reasonableness of new mission subsistence allowance rates and their administration. It stood ready to assist

the United Nations in ensuring that allowances for field staff were transparent and equitable.

127. **Ms. Beagle** (Director of the Division for Organizational Development in the Office of Human Resources Management), introducing the comments of the Secretary-General on the report of the Office of Internal Oversight Services on the audit of mission subsistence allowance policies and procedures (A/59/698/Add.1), said that the report contained the findings of a further audit conducted by OIOS on the reasonableness of mission subsistence allowance rates in a number of special missions. The review examined how effectively previous recommendations had been implemented and considered how to resolve the differing views of mission subsistence allowance rates. It also assessed the monitoring capacity of the Office of Human Resources Management concerning the establishment and review of those rates.

128. In recommendations 1 and 2 of its report, OIOS recommended that the Office of Human Resources Management and the Department of Peacekeeping Operations, assisted by independent experts, should conduct a review of the allowance structure for peacekeeping personnel, with particular reference to mission subsistence allowance rates. The Secretary-General responded that he saw those recommendations as an integral part of his efforts to improve the conditions of life and work of staff serving in peacekeeping missions. The review would not only respond to the request made by the Special Committee on Peacekeeping Operations for an open and transparent review of the allowance structure but would also contribute to ongoing work in the common system to harmonize the entitlements of staff serving at non-family duty stations.

129. In recommendation 3, OIOS recommended that the Office of Human Resources Management should perform comparative analyses of mission subsistence and daily subsistence allowances on a monthly basis with a view to triggering the adjustment of mission subsistence allowance rates in the concerned missions. However, the Secretary-General drew attention to the very different purposes served by the daily subsistence allowance and mission subsistence allowance.

130. The mission subsistence allowance represented the total contribution of the Organization towards the living expenses incurred by staff and other personnel in connection with an assignment to a special mission. It had become part of the pay package rather than merely a subsistence allowance and thus might be more correctly called a "mission allowance".

131. Accordingly, the Secretary-General did not consider that there was justification for using an across-the-board set formula to determine mission subsistence allowance by reference to daily subsistence allowance. In response to the OIOS recommendation, however, the Office of Human Resources Management, for monitoring purposes, began undertaking monthly comparisons of both rates in localities where there were special peacekeeping operations.

132. In recommendation 4, OIOS recommended that the Office of Human Resources Management should apply a consistent policy in promulgating revised mission subsistence allowance rates by making new rates effective from the first day of the month following issuance of its final report on the rates. The Secretary-General had responded that it already implemented such a policy to the extent possible.

133. With respect to recommendation 5, the Secretary-General agreed that any technological advances that would enable the distribution and completion of the mission subsistence allowance questionnaire and the more timely analysis of the data collected would be beneficial. He noted, however, that the development or acquisition of specialized software would be subject to the availability of resources.

The meeting rose at 1.05 p.m.